



CASE STUDIES OF THE ECONOMIC IMPACT OF HIGHWAY BYPASSES IN KANSAS

Report Number: K-TRAN: KSU-02-1

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RESEARCH

Introduction

The construction of highway bypasses in Kansas has resulted in important economic benefits. Perhaps the most significant benefit is the travel time savings of through motorists who avoid the slower speeds, stops, and congestion associated with driving through downtowns.

Project Objective

The five objectives were: (1) assess the impact of the bypass on the towns' total employment, (2) measure the impact on retail sales of the towns' travel-related businesses, (3) measure the impact on employment of the towns' travel-related businesses, (4) measure the impact on labor cost per employee of the towns' travel-related businesses, and for the Kansas counties that contain the sample of small Kansas towns that have bypasses, (5) assess the incremental impact on the county's road maintenance expenditures of assuming maintenance responsibility for the previous road alignment.

Project Description

The impact of the bypasses on total employment of the bypass towns was analyzed using regression analysis. Total average annual employment in each bypass town was regressed on total average annual employment of each of its control towns and a dummy variable that measured the impact of the bypass on total employment of the bypass towns. The regression equations were estimated by ordinary least squares (OLS) regression for the 1988 to 2001 period. Objectives 2, 3 and 4 were achieved by interviewing 54 travel-related business owners and managers in the nine bypass towns regarding how the retail sales, employment, and labor cost of their firms were affected by the highway bypass. Objective 5 was achieved through personal interviews of road supervisors and county engineers in the eight counties containing the nine sample bypass towns.

Project Results

The principal conclusions of the study are as follows: (1) the statistical results are consistent with the conclusion that the bypasses did not have a statistically significant effect on total employment in the bypass towns, (2) a majority of the owners and the managers of the travel-related business firms interviewed felt that the bypass had a major effect on retail sales of their firm in the 1999 to 2001 period. However, they felt it did not have any effect on their employment during the same time period. (3) There was substantial variation in the opinions and perceptions of the respondents concerning the impact of the bypass on retail sales and employment of the four industry groups in the sample. (4) Total road and bridge maintenance expenditures of the seven counties increased an average of 2.3 percent per year (not inflation adjusted) over the five year period. To finance road and bridge maintenance, all seven counties employed the property tax.

Report Information

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